

1 PUBLIC PROTECTION CABINET

2 Department of Insurance

3 Division of Health and Life Insurance

4 (Emergency Repealer)

5 806 KAR 17:391E. Repeal of 806 KAR 17:390, 806 KAR 17:400, 806 KAR 17:410, 806
6 KAR 17:420 and 806 KAR 17:430.

7 RELATES TO: KRS 13A.310, KRS 304.14-500-304.14-550

8 STATUTORY AUTHORITY: KRS 13A.310, 304.2-110(1); EO 2009-535

9 NECESSITY, FUNCTION, AND CONFORMITY: EO 2009-535, effective June 12,
10 2009, established the Department of Insurance and the Commissioner of Insurance as the head of
11 the department. KRS 13A.310 requires that an administrative regulation, once adopted, cannot
12 be withdrawn, but shall be repealed if it is desired that it no longer be effective. This
13 administrative regulation repeals 806 KAR 17:390, 806 KAR 17:400, 806 KAR 17:410, 806
14 KAR 17:420 and 806 KAR 17:430, which are no longer necessary “as an aid to the effectuation
15 of any provision of this code” as stated in KRS 304.2-110(1). 806 KAR 17:390, 806 KAR
16 17:400, 806 KAR 17:410, 806 KAR 17:420 and 806 KAR 17:430 set forth the minimum
17 requirements relating Medicare supplement insurance policies. These minimum requirements
18 have been combined into a new administrative regulation, therefore these regulations are no
19 longer necessary. This administrative regulation will repeal outdated and unnecessary
20 administrative regulations.

21 Section 1. The following administrative regulations are hereby repealed:

- 1 (1) 806 KAR 17:390, Benefits and disclosures in Medicare supplement insurance policies;
- 2 (2) 806 KAR 17:400, Marketing and sales practices in Medicare supplement insurance
- 3 policies;
- 4 (3) 806 KAR 17:410, Claims payment practices in Medicare supplement insurance policies;
- 5 (4) 806 KAR 17:420, Rates, premiums and loss ratio requirements in Medicare supplement
- 6 insurance policies; and
- 7 (5) 806 KAR 17:430, Reporting requirements in Medicare supplement insurance policies.

READ AND APPROVED:

Sharon P. Clark, Commissioner
Kentucky Department of Insurance

Date

Robert Vance, Secretary
Public Protection Cabinet

Date

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 27, 2009, at 9:30 a.m. at the Kentucky Department of Insurance, 215 West Main Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until August 31, 2009. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact Person: Melea Rivera

 Health and Life Division

 Kentucky Department of Insurance

 215 West Main Street

 P.O. Box 517

 Frankfort, KY 40602-0517

 Phone: 502-564-6088

 Fax: 502-564-2728

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation: 806 KAR 17:391E

Contact Person: Melea Rivera

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation repeals 806 KAR 17:390, 806 KAR 17:400, 806 KAR 17:410, 806 KAR 17:420 and 806 KAR 17:430.
 - (b) The necessity of this administrative regulation: This administrative regulation will repeal five (5) administrative regulations contained in 806 KAR Chapter 17 that are outdated and unnecessary to the regulation of insurance as these administrative regulations were replaced with a new version.
 - (c) How does this administrative regulation conform to the content of the authorizing statutes: KRS 13A.310 requires that an administrative regulation, once adopted, cannot be withdrawn, but shall be repealed if it is desired that it no longer be effective. 806 KAR 17:390, 806 KAR 17:400, 806 KAR 17:410, 806 KAR 17:420 and 806 KAR 17:430 all relate to minimum requirements for Medicare supplement policies and these requirements are now found in 806 KAR 17:570. These regulations are no longer necessary and the Department of Insurance wishes to repeal these administrative regulations.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will remove administrative regulations that are no longer needed.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
- (a) How the amendment will change this existing administrative regulation? This is not an amendment.
 - (b) The necessity of the amendment to this administrative regulation: N/A
 - (c) How the amendment conforms to the content of the authorizing statutes: N/A
 - (d) How the amendment will assist in the effective administration of the statutes: N/A
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Approximately 90 insurers with health line of authority who offer or renew Medicare supplement or select policies.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Insurers will not be required to take any action as a result of the promulgation of this repealer administrative regulation.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Insurers will not incur any costs as a result of the promulgation of this repealer administrative regulation.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This repealer administrative regulation does not require compliance on the part of insurers.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

- (a) Initially: Costs of implementing this administrative regulation on an initial basis are believed to be minimal, if any, for the Department of Insurance.
- (b) On a continuing basis: Costs of implementing this administrative regulation on a continuing basis are believed to be minimal, if any, for the Department of Insurance.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation? The source of funding to be used for the implementation and enforcement of this administrative regulation will be the budget of the Department of Insurance.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This administrative regulation will not require an increase in fees or funding.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not directly or indirectly increase any fees.
- (9) TIERING: Is tiering applied? No, tiering does not apply since this administrative regulation repeals five (5) regulations contained in 806 KAR Chapter 17.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.806 KAR 17:391E

Contact Person: Melea Rivera

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)?

Yes X No

If yes, complete questions 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

Kentucky Department of Insurance

3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 304.2-110(1) authorizes the executive director to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined by KRS 304.1-010. KRS 13A.310 requires that an administrative regulation, once adopted, cannot be withdrawn, but shall be repealed if it is desired that it no longer be effective.

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

No revenue for state government will be generated as a result of this administrative regulation.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

No revenue for state government will be generated as a result of this administrative regulation.

(c) How much will it cost to administer this program for the first year?

Costs of implementing this administrative regulation on an initial basis are believed to be minimal, if any, for the Department of Insurance.

(d) How much will it cost to administer this program for subsequent years?

Costs of implementing this administrative regulation are believed to be minimal, if any, for the Department of Insurance.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: